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**UNITED STATES BANKRUPTCY COURT
 DISTRICT OF NEVADA**

In re:
 USA COMMERCIAL MORTGAGE COMPANY,
 Debtor.

Case Nos. BK-S-06-10725 LBR
 Case Nos. BK-S-06-10726 LBR
 Case Nos. BK-S-06-10727 LBR
 Case Nos. BK-S-06-10728 LBR
 Case Nos. BK-S-06-10729 LBR

In re:
 USA CAPITAL REALTY ADVISORS, LLC,
 Debtor.

Chapter 11

In re:
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC
 Debtor.

In re:
 USA CAPITAL FIRST TRUST DEED FUND, LLC,
 Debtor.

In re:
 USA SECURITIES, LLC,
 Debtor.

Affects:
☐ All Debtors
☒ USA Commercial Mortgage Company
☐ USA Securities, LLC
☐ USA Capital Realty Advisors, LLC
☒ USA Capital Diversified Trust Deed Fund, LLC
☒ USA First Trust Deed Fund, LLC

**SUPPLEMENTAL REPLY BRIEF IN
 SUPPORT OF APPLICATION BY
 DEBTOR AND DEBTOR-IN-
 POSSESSION FOR
 AUTHORIZATION TO FORBEAR
 ON FOUR HFA LOANS (AFFESTS
 USA COMMERCIAL MORTGAGE,
 USA CAPITAL DIVERSIFIED
 TRUST DEED FUND AND USA
 CAPITAL FIRST TRUST DEED
 FUND)**

Date: July 25, 2006
 Time: 9:30 a.m.

Debtors USA Commercial Mortgage Company (“USACMC”), USA Capital Diversified Trust Deed Fund, LLC, and USA Capital First Trust Deed Fund, LLC (collectively, the “Debtors”), submit this Supplemental Reply Brief in support of the Debtors’ “Motion for Authority to Forbear and to Provide Further Funding for Certain Outstanding Loans” (the “Motion”), and in reply to the Supplemental Response filed on July 21, 2006 by the Official Committee of Equity Security Holders of First Trust Deed Fund.

Contrary to the inference made in the Supplemental Response of the Official Committee of Equity Security Holders of First Trust Deed Fund, the Debtors’ interim management and professionals have spent an extensive amount of time answering the questions and requests for documentation of counsel and advisors for that Committee.

As stated in the Motion, USACMC takes the position that entering into forbearance agreements is an activity in the ordinary course of its business and it has the authority under Section 2(e) of the Loan Servicing Agreements to "enter into forbearance and other settlement-related agreements" and that no further Direct Lender approval (including that of the various Committees in these cases) is necessary. However, the current management has requested Court authority to (a) inform the court and all parties of its actions, and (b) to provide assurance to third parties that such actions are authorized.

It appears, from the last paragraph of the Supplement Response of the Official Committee of Equity Security Holders of First Trust Deed Fund, that this Committee has “elected not to oppose the forbearance request”.

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CONCLUSION

USACMC requests that the Court authorize USACMC to grant limited forbearance to Homes for America Holdings, Inc. and its affiliates until January 1, 2007 with regard to the Four FHA Loans based upon the Debtors' business judgments that these actions are in the best interests of all concerned parties.

DATED: July 24, 2006

/s/ LENARD E. SCHWARTZER

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